COMMODORE INTERNATIONAL

* HIGH TECHNOLOGY

* MULTINATIONAL

* NYSE LISTED

* STRONG GROWTH

* 6502 MICRO PROCESSOR

* FULL LINE OF MICRO COMPUTERS

* OVER 300,000 COMPUTERS SOLD

COMMODORE'S 23 YEAR HISTORY

1958	• Typewriter Repair
1960's	• Mechanical Adding Machines • Office Furniture
1970's	• Electronic Calculators • Digital Watches • Electronic Components • Microcomputers
1980's	• Home Computers/Video Games • Business Computers • Cash Registers

PRODUCT EVOLUTION

1960's	1980's
• Adding Machines	• Electronic Calculators
• Typewriters	• Word Processors
• Accounting Machines	• Microcomputers
• Mechanical Watches	• Digital Watches
• Board Games	• Video Games
• Musical Instruments	• Music Synthesizers

COMMODORE INTERNATIONAL

Computer Systems Division   71%   FY 81 Sales

Semiconductor Division   19%   FY 81 Sales

Office Equipment Division   6%   FY 81 Sales

Consumer Products Division   4%   FY 81 Sales

NET SALES

($ Millions)

1971	–	$13.5
1972	–	$22.2
1973	–	$32.9
1974	–	$49.9
1975	–	$55.9
1976	–	$55.3
1977	–	$46.2
1978	–	$50.2
1979	–	$71.1
1980	–	$125.6
1981	–	$186.5
Projected 1982	–	$250.0

MAJOR PRODUCTS

- VIC Home Computer

- PET Personal Computer

- CBM Business Computer

- SuperPET Computer

- Peripheral Hardware
    - Disk Drives
    - Printers

- Cash Register

- Software

ELECTRONIC COMPONENTS

- Integrated Circuits

    - 6500 Family Microprocessors

    - ROM and RAM Memory

    - Custom Design Chips

    - C-MOS Watch Chips

- Liquid Crystal Displays

COMMODORE BASIC PRINCIPLES

- Price/Performance Leader

- First In Technology

- 'User Friendly' Products

- International Resources

SMALL COMPUTER VENDORS

COMMODORE INTERNATIONAL

- $187 million Sales
- $24.9 million Income
- 150,000 units sold last year
- 300,000 installed base

ATARI

- $10 million estimated Personal Computer Revenues
- 30,000 units sold last year
- 40,000 computers in field

TEXAS INSTRUMENTS

- $4 billion Revenues
- $212 million Net Income
- 30,000 unit sales in 1981
- 45,000 machines in field

RADIO SHACK

- $1.7 billion Revenues
- $170 million Net Income
- 170,000 sold last year
- 400,000 installed base

* Reprinted from FORBES February 15, 1982

SMALL COMPUTER MARKETPLACE

	Consumer	Personal	Business
Price Range	$500.00-	$1000.00+	$2000.00+
Commodore Products	VIC 20	PET/CBM	SuperPET
Distribution	Traditional Retailers	Computer Stores	Specialized Distribution
Requires:			
Special Sales Staff	No	Yes	Yes
In-House Service Staff	No	Yes	Yes
In-House Software Development	No	Yes	Yes
Approximate Sales Time	6 to 15 Minutes	2 1/2 to 3 Hours	5 Hours +
Training & Installation Time	0	1 to 2 Hours	5 Hours +

COMMODORE HOME COMPUTER DISTRIBUTION

RETAIL SEGMENT	% 1981 ACTUAL	% 1985 PROJECTED
Computer Store	30	10
Audio/Stereo	25	20
Deptartment Store	20	10
Mass Merchant	10	25
TV Appliance	5	15
Toy Store	5	15
Other	5	5

PERSONAL COMPUTERS

MARKET SHARE OF 1981 RETAIL SALES OF $2.2 BILLION

	1981*
Apple	23%
Tandy/Radio Shack	23%
Commodore	10%
Nippon NEC	7%
Hewlett Packard	5%
IBM	4%
Others (including Xerox, Digital Equipment, Zenith, Texas Instruments, & Misc.	28%

*FORBES February 15, 1982

Based on Retail Price of under $15,000

COMMODORE POSITIONING

* Why Buy Just a Video Game?

* VIC-20 Plays Great Games

* Computer

* Home Entertainment, Education and
      Communication Center

* Home Finance

* Telecommunications

* Electronic Mail

* Education within the Home

* Text Processing

* Self-Improvement/How to - Touch Typing

MERCHANDISING DEPARTMENTS

* Advanced Consumer Electronics

* Computer

* Audio/Hi Fi

* Calculator

* Camera

* Toy

* Book

SALES AIDS

* Point of Purchase Unit

* Training Books

* VHS Demo Tape

* Self-Running Demo Programs

* Local Market Product Specialist

* Literature/Handouts

MERCHANDISING CONSIDERATIONS

* Computer Clubs

* Software of the Month

* Computer Classes

* VIC-20 Telecommunications

* Commodore Microcomputer Magazine

NATIONAL TV ADVERTISING

* Over 800 Gross Rating Points in 18 Weeks

* 700 Million Impressions

* Will be Seen in 19 Out of 20 Homes 8 Times

* William Shatner Spokesman

* Major Event TV Programs

MAJOR USES OF THE VIC-20

GAME MACHINE

We have already stated that the VIC-20 is an excellent Game machine. We have an ever-growing list of games available on cartridge or tape. Currently, 18 different games are offered with another 40 being developed for delivery in the near future. As more VIC-20's enter the market place, not only does Commodore accelerate the development of games, but so do outside software houses. In addition, Commodore's license agreement with Bally positions the VIC-20 and other VIC/Commodore products very competitively in your market place. Through this agreement we are currently converting the Bally-Midway arcade games to the VIC-20.

COMPUTER

After the customer has decided to remove the game cartridge from the VIC-20, the machine becomes a home computer. Packed with the VIC-20 is the book entitled, Personal Computing on the VIC-20. This is our friendly computer guide that shows the customer everything from setting up the VIC-20 through an introduction to all of the VIC-20's programming features including use of the built-in language called BASIC. Using this book, the customer will soon be programming easily. The book is very easy to follow and use. It is graphically interesting and the writing and examples appeal to all ages, elementary school and up.

HOME FINANCE MANAGEMENT

Commodore has prepared a Home Calculation Program Pack on tape. This and more home utility programs being produced in the future by Commodore and other software houses let the VIC-20 owner manage the home and home finances effectively. Our current package does home budget, word processing (when used in conjunction with the VIC-20 printer), an expense calendar for monitoring income and outflow of money, and home inventory. These programs, in addition to others forthcoming, enable the user to keep track of records, make lists, and organize.

COMMUNICATION

One of the most exciting uses of the VIC-20 is its ability to communicate with outside data sources via the home telephone. By simply attaching to the VIC-20 something called a modem and the home telephone, a world of information becomes instantly available to the customer. The power of this cannot be overstated. First of all, Commodore will be providing the most economically priced modem on the market place, at less than half the price of the nearest competitor. Suggested retail price, complete with everything required to operate, is $110.00. With the VIC-20, a modem, and the home telephone the customer can dial a local telephone number anywhere in the United States and Canada to be connected to outside data banks such as the SOURCE and COMPUSERVE. With these services you can do things such as read the UPI wire services directly, follow the stock averages during the day or do a study of stocks back in time. You can request historical information by topic from more than 60 magazines and newspapers, including the New York Times. One can ask for airline information, order airline tickets using the American Express Card, demand weather conditions anywhere in the world, request hotel and restaurant information or your horoscope. There are literally thousands of categories of information that are on line and that you can query. Topics range from business, finance, education, entertainment and games, catalogue shopping and more.

EDUCATION

The VIC-20 can be used with educational games that teach math, language arts, computer literacy, computer programming, logic, and almost any subject that one could conceive of. Software is continuing to grow. It is important to note that Commodore is also the manufacturer of the leading Educational computer on the market worldwide, the PET computer. Because the built-in language (BASIC) of the VIC-20 is exactly the same as that of our PET and other computers, it will not be long before more educational programs and software from the PET become available on the VIC-20.

These programs and software packages manufactured by Commodore and software houses will be listed in the COMMODORE SOFTWARE ENCYCLOPEDIA as they become available.

BALLY MANUFACTURING LICENSE

- Leader in Coin-operated Games

- New Advanced Video Game Cartridges

- Vast R & D Expertise

- Exciting Advanced New Developments

- Proven Track Record

CURRENT PRODUCTS

GAME CARTRIDGES

VIC Avenger
Superslot
Super Alien
Jupiter Lander
Draw Poker
Midnight Drive
Rat Race
Sargon Chess
5 Adventure Games
Mole Attack
Pinball
Lord of the Skies
Cosmic Cruncher (under Development)

GAME CASSETTES

Car Chase
Blue Meanies from Outer Space
VIC 21- BlackJack
Slither/Super Slither
Game Graphics Character Editor
The Cube

HOME AND BUSINESS CASSETTES

Biorhythm/Compatibility
Personal Finance 1 and 2
Home Inventory
VIC Typewriter
Loan & Mortgage Calculator
Expense Calendar
VIC Terminal Emulator
Dealer Demo Tape

PROGRAMMER CARTRIDGES

Super Expander
Programmer's Aid
VICMon

PUBLICATIONS

User Manual
Programmers Reference Guide
Introduction to Basic, Part 1
Commodore Magazine
Source Manual

FUTURE PRODUCTS

BALLY/MIDWAY GAME CARTRIDGES

Gorf
Omega Race
Wizard of Wor
Seawolf
Clowns/Brickyard
Dogpatch

EDUCATIONAL CASSETTES

Space Math
Alphabet House
Pop Goes
Jack Be Nimble
Mouse 'N' Clock
The Shoe Lady
VIC Battleship
Add Tutor
Neptune Number Bugs
Plotato
Number Guesser
Space Numbers

PERSONAL COMPUTER COMPARISON CHART

Product Features	COMMODORE VIC 20	ATARI 400	TI 99/4A	TRS-80 Color Computer
Price *	$299.95+	$399.95+	$525.00+	$399.50+
Total Memory Standard	25K	26K	42K	12K
Memory (RAM)	5K	16K	16K	4K
Memory (RAM) Expansion to	32K	N/A	48K	32K
Keyboard Style	Full-Size Typewriter-Style	Flat Plastic Membrane	Full-Size Typewriter Style	Calculator Style
Number of Keys	66	57	48	53
Programmable Function Keys	4	0	0	0
Graphic Symbols on Keyboard	62	0	0	0
Displayable Characters	512	256	256	256
Basic Language	Microsoft Basic	$59.95 Extra+	TI Basic	Radio Shack Basic
Microprocessor	6502	6502	TI 9900	6809
TV & Monitor Connections	Standard	TV only	TV $49.95+ Extra	TV only
Accessible Machine Language	Yes	Yes	Yes	Yes
Color & Sound	Yes	Yes	Yes	Yes
Upper/Lower Case Characters	Yes	Yes	Yes	No
Operates with all Peripherals (Disk, Printer & Modem)	Yes	Yes	Yes	No
Full Screen Editor	Yes	Yes	Yes	No
English Language Screen Messages	Yes	No	Yes	Yes
Micro Soft Basic	Standard	N/A	N/A	$99.00+
Data Cassette	$75.00+	$89.95e+	$89.95e+	$59.95+
Telephone Modem with Interface	$110.00+	$399.95+	$450.00+	$154.95+
Self-Teaching Computer Guide	Standard	$5.95+	Standard	Standard
Price Comparison of Complete Computer & Major Accessories	$484.95	$955.75	$1114.90	$713.40

* Manufacturers suggested retail price Sept. 1, 1981
e - estimated

MASS MERCHANT CONTRACT PRICE

VIC 20: Retail $299.95
         Cost $209.97
         MU%   30%

Software: MU%   40%

Terms: Net 30 Days

Freight: FOB Factory

Minimum Order: 1000 VIC 20's plus Software

Warranty: 90 Day Over-the-Counter

Point of Sale Fixture: $425 FOB Factory

VHS Demo Video Tape to be Supplied for use in all Stores.

$20,000,000 National TV Advertising starts February 24th.

3% Cooperative Advertising Policy (100% Paid).

Commodore will provide Sales Training at each location.

TRW will provide Nationwide Non-Warranty service.

Individual Store Stocking Plan

		SUGGESTED	COST PER ITEM		RETAIL PER ITEM	
Item No.	Description	Quantity	Unit Price	Extension	Unit Price	Extension
VIC-20	VIC-20 Computer	12	209.97	2519.64	299.95	3599.40
VIC1530	VIC Datassette	10	52.50	525.00	75.00	750.00
VIC1901	VIC Avenger	12	17.37	208.44	29.95	359.40
VIC1904	Superslot	12	17.37	208.44	29.95	359.40
VIC1906	VIC Super Alien	12	17.37	208.44	29.95	359.40
VIC1907	Jupiter Lander	12	17.37	208.44	29.95	359.40
VIC1908	Draw Poker	12	17.37	208.44	29.95	359.40
VIC1909	Midnight Drive	12	17.37	208.44	29.95	359.40
VT106A	Rec Pack A	12	34.77	417.24	59.95	719.40
VT107A	Home Cal Pack A	12	34.77	417.24	59.95	719.40
VL102	Intro to Basic	12	14.47	173.64	24.95	299.40
VM110	Prog. Ref. Guide	6	9.83	58.98	16.95	101.70
VIC1311	Joystick	12	6.97	83.64	9.95	119.40

DOLLAR TOTAL: 5446.02   8465.10

Other items to be displayed and available.

Item No.	Description	Unit Price	Retail Price
VIC1540	Disk Drive	419.30	599.00
VIC1515	Graphic Printer	276.5	395.00
VIC1110	8K Memory Expander	41.97	59.95
VIC1211A	Super Expander	41.97	69.95
VIC1212	Programmer's Aid	35.97	59.95
VT164	Programmable Character Set	8.97	14.95
VIC1515P	Graphic Printer Paper	9.00	15.00
VIC1515R	Graphic Printer Ribbon	6.97	9.95

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